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May 3, 2012

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: Special Access Rates for Price Cap Local Exchange Carriers, WC Docket No. 05-25 and RM-10593

Dear Ms. Dortch:

Together with Verizon's Curtis L. Groves and Fred Moacdieh, I met Wednesday with Ben Childers, Ken Lynch, Elizabeth McIntyre, Eric Ralph, and Daniel Shiman of the Wireline Competition Bureau; and Jack Erb of the Office of Strategic Planning and Policy Analysis, to discuss the generally available and individually negotiated special access discounts that Verizon offers and also the regulatory framework that the Commission should use as it continues to analyze the issues in this proceeding.

During the meeting, we reviewed Highly Confidential Information that Verizon submitted as part of its December 5, 2011, response to the *Competition Data Request*.¹ Specifically, we reviewed Verizon's responses to Requests B.1, B.2, B.3, B.4, C.4, and C.5, and we explained the data that Verizon provided in the Highly Confidential Exhibits that accompanied those responses.²

During our discussion of the many different voluntary special access discount plans that Verizon offers, we explained that when a term-and-volume discount plan expires, a customer that wants to keep some of its circuits with Verizon and migrate others to a competitive provider has options under which it can still receive a significant discount on the circuits it continues to purchase from Verizon. The customer can renew its existing plan or choose a different plan. For example, a customer that originally enrolled in a term-and-volume plan may, at the end of that plan, enroll in one or more term-only plans that contain no volume commitments. Under these term-only plans, Verizon East³ customers (which account for the vast majority of Verizon's

¹ *Competition Data Requested in Special Access NPRM*, Public Notice, 26 FCC Rcd 14000 (2011) ("*Competition Data Request*").

² See Response of Verizon, *Competition Data Request* (Dec. 5, 2011).

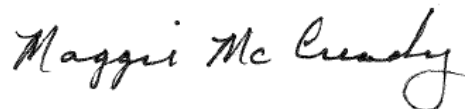
³ Verizon East generally refers to the former Bell Atlantic and former NYNEX regions, which are served under FCC Tariffs Nos. 11 and 1, respectively. Verizon West generally refers to the former GTE region, which is served under FCC Tariff Nos. 14 and 16.

special access revenues) are able to get the same discounts available under Verizon's highly-subscribed term-and-volume plan (the Commitment Discount Plan), and discounts comparable to those available under the National Discount Plan.

A customer in a term-and-volume plan may, at the end of the term, also choose to enter into another term-and-volume plan, but at a lower volume. We explained that when a customer signs up for a new term-and-volume plan, its new commitment level is based on its circuits in service with Verizon at that time, and it is not based on its previous commitment level or purchases.

We discussed a hypothetical example in which a customer had 100 circuits in service when it enrolled in its first term-and-volume plan, with a ninety percent commitment level. When that plan expired, the customer had ninety-five circuits in service with Verizon, so it was meeting its commitment, but it wanted to move forty-five circuits away from Verizon and enroll the remaining fifty circuits in a new term-and-volume plan. As we explained, there are several ways for the customer to accomplish this. First, the customer could disconnect the forty-five departing circuits when the old plan expires and enroll the remaining fifty in a new plan. Or, if the customer needs more time to migrate to another provider, the customer can move the forty-five circuits into a month-to-month plan, until it completes the migration to a new provider, while simultaneously placing the fifty circuits that will remain with Verizon into a new term-only plan. Additionally, the customer is free to convert that new term-only plan for the remaining fifty circuits into a new term-and-volume plan. If the customer chooses to convert, the customer may be eligible for a time-in-service credit under the new term-and-volume plan, depending upon the previous plan and how long the circuits were in service under the term-only plan. Lastly, under Verizon's "Commitment Discount Plan" term-and-volume-plan, the customer could remain on the expiring plan for an extra two months when the term ends, during which the customer would continue to receive the same discounts associated with the expiring plan. The customer could manage the forty-five circuit migration during those two months and then enroll the remaining fifty circuits in a new plan.

Sincerely,

A handwritten signature in cursive script that reads "Maggie McCreedy".

cc: Ben Childers
Jack Erb
Ken Lynch
Elizabeth McIntyre
Eric Ralph
Daniel Shiman